

Barriers to Consolidation and Annexation - Possible Solutions
Report to the School Renewal Commission

The November 24, 2003 meeting of the K-12 Renewal Commission Meeting included a number of issues related to school consolidation and annexation.

The Commission asked Lance Melton of the Montana School Boards Association and Dave Puyear of the Montana Rural Education Association to supply the Commission with the results of a task force the two organizations had convened in December of 2002.

This document outlines the barriers that schools face in addressing the requirements of Montana Law. Mr. Puyear and Mr. Melton will present their findings at the January, 12 meeting.

Barrier	Possible Solution
Current law on putting two districts together is too confusing, with different rules for annexation vs. consolidation and consolidations with and without bonded indebtedness.	Establish a single standard and process for consolidations and annexations, and don't allow consolidations or annexations without a full blending of fiscal obligations for both districts.
Current law on consolidations and annexations require voter approval, which inevitably requires at least on district to agree to a tax increase while also agreeing to a decrease in local control. The law is therefore designed to make consolidations or annexations unlikely.	The Legislature has talked about statewide forced consolidation without voter approval. A better way to ensure that local control is upheld is to place the decision on consolidation and annexation into the hands of the elected school boards, and to remove the voter approval requirement.
Current law on consolidations and annexations require a permanent, irrevocable decision to consolidate or annex, without any opportunity to go back. The permanence of the initial decision results in a reluctance by districts to try consolidation to see how it works	Amend the current moratorium on the creation of new districts to allow consolidated districts up to a certain number of years (3, 5?) to deconsolidate. This will encourage districts to try consolidation with a limited window of opportunity to reconsider the decision.

Barrier	Possible Solution
<p>Current law requires districts that consolidate or annex to give up their current level of funding through the basic entitlement. With state funding lagging over time and districts likely to consider consolidation suffering from declining enrollments, this loss of funding makes it very unlikely that the district will consolidate and give up the necessary funding to maintain quality services</p>	<p>Amend the law regarding the basic entitlements for consolidating districts to analyze the district's spending patterns before requiring a sacrifice of the basic entitlement. The benchmarks regarding whether the districts must sacrifice some or all of the basic entitlement could be predicated on the district's average teacher pay compared to other districts in the state, for example.</p>
<p>The current law on consolidation and annexation is ambiguous as to the tenure and bargaining status of the successor district</p>	<p>Clarify the tenure status and bargaining unit for the new district to avoid unnecessary disputes over these issues in the course of consolidations or annexations.</p>
<p>Current law on consolidations and annexations requires a complete elimination of one of the two school boards before the first election</p>	<p>Require that the newly consolidated districts be governed by a joint board consisting of members of both boards, with a simple majority required for action, until the successor election is completed.</p>
<p>Current law on consolidations and annexations prohibits an independent elementary from consolidating with a neighboring K-12 district.</p>	<p>Allow consolidations wherever they can be achieved. Establish a process for blending the tax rate of the newly formed district, but don't unnecessarily prohibit or interfere with the desire of two districts to consolidate if that is their wish.</p>